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COMMITTEE ON NEBRASKA RETIREMENT SYSTEMS
January 19, 2005
Confirmation Hearing

The Committee on Nebraska Retirement Systems met at 9:00 a.m. on Wednesday, January 19, 2005, in Room 1525 at the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on gubernatorial appointments. Senators present: Elaine Stuhr, Chairperson; John Synowiecki, Vice Chairperson; Patrick Bourne; Philip Erdman; Don Pederson; and Marian Price. Absent: None.

SENATOR STUHR: Ladies and gentlemen, we're ready to begin the confirmation hearings this morning for the Nebraska Retirement Systems Committee. And I'd like to introduce the members of the committee. Senator Marian Price from District 26; Senator Bourne, Pat Bourne, I can't see your district number...8.

SENATOR BOURNE: Eight.

SENATOR STUHR: Eight. Legal counsel, Jason Hayes; I'm Elaine Stuhr. I serve as Chair. And to my right...left, excuse me, Senator John Synowiecki; Senator Phil Erdman from Bayard; and Senator Pederson is not with us this morning and our committee clerk is Kathy Baugh. Our pages are Jessica Noble from Albion, which one is Jessica? Okay, thank you. And Audrey Pribnow from Fremont so thank you for serving as pages this morning. Please turn off all cell phones, just a few little reminders here, and pagers. And those wishing to testify should come to the front of the room. And if you're testifying, please print your name on the sign-in sheet. And as you begin your testimony this morning, please spell it for the record. And if you have handouts, give them to the pages. We do have a last-minute change in the order of the confirmations this morning, and we will begin with Glenn Elwell followed by Mark Shepard and Denis Blank--all to be confirmed as members of the Public Employees Retirement Board. And are there any of you that wish to testify on the conferees this morning? Okay, all right, that...oh, we do have one, okay. That's great. All right. And joining us is Senator Pederson. Welcome, and would Mr. Elwell please come forward. Okay, welcome to the committee.

CONFIRMATION HEARING ON
GLENN ELWELL TO THE

Transcript Prepared by the Clerk of the Legislature
Transcriber's Office

Committee on Nebraska
Retirement Systems
January 19, 2005
Page 2

PUBLIC EMPLOYEES RETIREMENT BOARD

GLENN ELWELL: Good morning.

SENATOR STUHR: And I think that we will just start. If you could just give us a little bit of your background and share with us your interest in serving on this board.

GLENN ELWELL: Again, my name is Glenn Elwell and last name is spelled E-l-w-e-l-l. I am a sergeant with the Nebraska State Patrol and I've been so employed for going on almost 19 years now. And I'm a plan member within the Patrol and the position that I've been nominated for to serve is a new position. The Patrol has never actually had anyone serve on the board before. My interest I think just goes back to a sense of...undying sense of duty, something that I've always had a great interest in, something that I've always followed is retirement, even as a new employee. And I have a real need to serve those that I work with and anybody else that's in the retirement system. It's very important to me to see a system like we have in Nebraska flourish and do well, and I just have that sense of duty to want to do that and try to do the best I possibly can, not only for the State Patrol but for all public employees and for the state of Nebraska.

SENATOR STUHR: Okay, thank you. Are there questions by the committee? Senator Erdman.

SENATOR ERDMAN: Glenn, I just wanted to comment. I appreciated your being upfront and expressing if there may be any conflicts and how you would address that. I think that's important, as a member of the Retirement Board to be able to, you know, look at those issues and recognize how that balances out with personal interests in things. And so, I just wanted to commend you on being upfront with the committee and letting us know, and I think that shows a lot about how you may operate as a member of the board.

GLENN ELWELL: Well, I appreciate that. Thank you, sir.

SENATOR STUHR: I just have a question. What do you see as some of your responsibilities as being a board member?

GLENN ELWELL: I think more than anything that, as a board

Transcript Prepared by the Clerk of the Legislature
Transcriber's Office

Committee on Nebraska
Retirement Systems
January 19, 2005
Page 3

member, it's my responsibility to make sure that the system functions to the best possibility that it can, to the highest level that it can, and that we on the committee or the board are responsible kind of as an oversight to make sure things run properly, to make sure that we not only represent all public employees and plan members, but also the state of Nebraska. I think it's important that the system function well because I came from a background where I had a father that after 34 years in a company, went under and my dad lost his job, had to take an early retirement and everything that he had in retirement went under. So from an early age, I saw how if things don't function correctly that it can negatively affect somebody, and I don't want to see that happen to anybody. So again, that's kind of that duty in me to make sure that things go the way they're supposed to go and run the way they should.

SENATOR STUHR: Right. Have you done anything personally to prepare yourself for this role?

GLENN ELWELL: Yes, ma'am. I overachieve in that area. I try to make sure that I'm up on all the laws and everything and probably have spent the last few weeks late nights reading as much as I possibly can to try to bring myself up to speed on what's going on. And I still have a lot to learn, but I'm trying as best I can to educate myself in that area of the laws and all the rules and regulations to make sure that I function properly.

SENATOR STUHR: Okay. Are there any other questions? If not, thank you very much for your willingness to come forth and to serve.

GLENN ELWELL: Well, thanks for the opportunity.

SENATOR STUHR: You are the first member of the State Patrol to serve in this capacity so, okay, thank you.

GLENN ELWELL: Thank you, ma'am.

SENATOR STUHR: All right. Would Mark Shepard come forward. Okay, welcome. And we'd just like for you to share some information about yourself.

Transcript Prepared by the Clerk of the Legislature
Transcriber's Office

Committee on Nebraska
Retirement Systems
January 19, 2005
Page 4

CONFIRMATION HEARING ON
MARK SHEPARD TO THE
PUBLIC EMPLOYEES RETIREMENT BOARD

MARK SHEPARD: (Exhibit 1) Sure. Senator Stuhr and members of the Retirement Committee, my name is Mark Shepard. I am honored to be appointed by the Governor to serve as a school administrative representative on the Nebraska Public Employees Retirement Board. The Nebraska Public Employees Retirement System is a great system. I think we all acknowledge that. I think it also provides a great service to the employees and the retirees contributing to that system. My background is as a teacher and an administrator since 1986. I think that background has prepared me well for this type of a position. Currently, I'm serving on the Nebraska Council of School Administrators executive board. I've been in that role for the past three years. And this current year I'm also the vice chair of the Nebraska Council of School Administrators. I think that has prepared me well from a standpoint of it's given me more of a statewide perspective of not only retirement issues, but other issues that are affecting the education community in the state. Not only do I have ten years' experience with the Nebraska retirement system as a contributing member, but I've also been a member in the past of the Illinois teacher retirement system. So I think that would also bring a perspective maybe that could be lacking on the board of somebody who's been part of another state's retirement system. And I think I can possibly bring some other ideas that maybe haven't been utilized by the Nebraska system to this point. I think, in closing, the retirees, future and current, are basically counting on their retirement being there when they get to that age and when they get to that point in their life. I think, working with the other members of the board, we have an opportunity to maintain not only the integrity of the system but also the fiduciary responsibility of the system. And I think that needs to be our charge and should be our charge. I've had the opportunity to work with Anna Sullivan and Joe Schaefer and, most recently, with Jason on some legislative issues in the past and also on retirement issues as they've related to our district. I've enjoyed working with them and I find them to really work very

Transcript Prepared by the Clerk of the Legislature
Transcriber's Office

Committee on Nebraska
Retirement Systems
January 19, 2005
Page 5

professionally. I look forward to serving the membership of the Nebraska Public Employees Retirement Board and look forward to serving you as well.

SENATOR STUHR: Thank you. Are there questions by the committee? Again, maybe you could just say, in a few words, what do you think are your responsibilities as serving as a member of the board?

MARK SHEPARD: I think as was previously mentioned, I think the utmost responsibility is to maintain the integrity of the system and to make sure that the system is working, working efficiently, that people that are part of the system, either as a contributing member or a retiree, feel that their needs are being met and feel that their concerns are being heard. I think that the system runs quite well currently, and I think we need to maintain that and any way that we can make the system better.

SENATOR STUHR: And have you done anything personally to prepare yourself for this new role?

MARK SHEPARD: Well, I think the preparation has been over a long period of time. I'm not the type that's going to sit down and read the law necessarily, although oftentimes in my current position as the director of business for Fremont Public Schools, I end up reading the law. I have worked very closely with Anna Sullivan, Joe Schaefer, Mike Dulaney, legal counsel and lobbyist for and associate director for the Nebraska Council of School Administrators, as well as Jerry Sellentin, the executive director of the Nebraska Council of School Administrators. I've talked to a lot of people over the last couple of months. Every since the legislation was passed that opened up the door for a school administrator to be a member of the Retirement Board, I've tried to prepare myself by asking questions and talking to people, not only people that are currently contributing to the system, but also retirees. My father, who's in the audience today, is a member of the system as a retiree, and so I also have that perspective. In growing up, I think I gained a knowledge of the importance of retirement and the importance of saving for tomorrow. And I think that has probably been my preparation.

Transcript Prepared by the Clerk of the Legislature
Transcriber's Office

Committee on Nebraska
Retirement Systems
January 19, 2005
Page 6

SENATOR STUHR: Okay, thank you. All right, well, thank you very much for coming today and having the opportunity for the committee to meet you and we wish you much success.

MARK SHEPARD: All right. Thank you very much.

SENATOR STUHR: Okay, Denis Blank. Oh, excuse me, are there any that wish to testify in support? And I failed to ask that previously, but I knew I had one hand here.

JERRY SELLENTIN: Senator Stuhr, members of the Retirement Committee, I'm Jerry Sellentin, S-e-l-l-e-n-t-i-n, executive director of the Nebraska Council of School Administrators. The Nebraska Council of School Administrators recommended Mark Shepard to the Governor for appointment to fill the new position that became possible as a result of your passing LB 1097. The Nebraska Council of School Administrators recommended to the Governor Mark Shepard because Mark has a strong work ethic, perseverance to follow through, with many times positive results. He has demonstrated the ability to make tough decisions as a business manager, cutting back on state aid and other issues that affect the Fremont Public Schools. He has excellent interpersonal skills to listen, to ask tough questions, to be able to, with his background of skills, with values, and judgment. And I think we see part of that as a family person. He made reference to his father, but also his wife and children are here. And I think that's a strong aspect that's important as you look at the whole picture of retirement, as a family, as a public school official, and as an individual that wants to do the right thing. I personally have known Mark for about ten years. As he mentioned, he's on our executive committee. He's our vice chair of our board. And as a result of that, he has a high respect among his peers, and I know that he wants to do a good job on this retirement board in this new position, understands it, and I encourage you to confirm his appointment or recommendation to the Governor. Any questions?

SENATOR STUHR: Are there any questions?

JERRY SELLENTIN: Thank you very much.

SENATOR STUHR: Thank you very much. Are there any others

Transcript Prepared by the Clerk of the Legislature
Transcriber's Office

Committee on Nebraska
Retirement Systems
January 19, 2005
Page 7

that wish to testify in support. Okay, thank you. Now,
Denis.

CONFIRMATION HEARING ON
DENIS BLANK TO THE
PUBLIC EMPLOYEES RETIREMENT BOARD

DENIS BLANK: Good morning, Senator Stuhr, members of the
committee. Do you want me to just take off?

SENATOR STUHR: Yes, why don't you just share with us...

DENIS BLANK: I think I know the routine here. I've been
listening so.

SENATOR STUHR: ...uh-huh, some of your...

DENIS BLANK: My name is Denis Blank, B-l-a-n-k. I am
currently chief administrator of the Nebraska Department of
Agriculture, and I am proud to say I've been with that
agency for over 30 years. I started state employment in
1971 when I was younger and just discharged out of the
military and came looking for work and ended up at the state
level and am proud to say that I've learned a lot and have
been fortunate to be in that agency ever since. I have a
wife, who is a retired teacher, and I have two adult sons.
My wife is now, even though she's retired, she's working for
Pinnacle Bank here in Lincoln at the Landing, which is a
retirement community, and so she's doing that. My
experience, actually on the board, in the Kay Orr
administration I was appointed for a six-month stint at that
time to fill in for a gentleman who left to serve in another
capacity. And then I was appointed by Governor Johanns, and
so I'm being renominated to do this again. And I'm honored
and pleased to be able to do that. I think actually I have
taken more from the system so far in my four years I've
served than I've given. It's taken about that long to learn
what's going on, and I've appreciated that. I've done some
training. I intend to do some more. I've taken one class
with retirement basics, national-level class, and I've
enrolled in a series of classes to try to get a certificate
in that area. I was attending my second class in Phoenix,
Arizona, and we had a death in the family, so I had to

Transcript Prepared by the Clerk of the Legislature
Transcriber's Office

Committee on Nebraska
Retirement Systems
January 19, 2005
Page 8

return, so I didn't get that completed, so will do that in Wisconsin here in the near future. So I intend to keep doing that and stay involved. I also have high regard for Anna and the staff and the NPERS staff. They do a great job. There's a lot of issues to deal with. I would mention I think we have an excellent working relationship with the Investment Council, which I think is very important. And we intend to continue to nurture that relationship. My interest is obviously the long-term state employee and is to continue to serve my colleagues. I've learned the issue about fiduciary responsibility for all of the plans. And we look at it in that light with all the plans, not just the plan that we might be involved with ourselves. And so...and I also welcome our new members. I think they will be great additions. I think it's good to have people from every plan on the board to help us with information that we may not know ourselves because we're not involved with the intimacies of every little plan. So appreciate having them come on the board.

SENATOR STUHR: Okay, thank you. Are there questions by the committee for Mr. Blank? Well, you sort of shared some of what you've been doing to prepare yourself and some of the things of training. Basically again, what do you feel are your main responsibilities as a board member?

DENIS BLANK: Well, I think the overall administration of the plan and to protect those plans for the participants. I also have a very deep interest in trying to do what we can as a board, even though it is limited, to try to enhance the plans and improve the plans for all the members. Trying to work with our constituencies, I've done that myself. It's been easy for me to work with some people in state government that I know, and I have an advisory group that I work with and meet with and try to get ideas from them and what we might be able to do, even though they might be small things in the big picture, they can be big things to the plan. And so anything we can do to try to enhance the plans and try to improve the plans. I've learned that unfortunately our state plan, for instance, really doesn't provide the amount of money for retirees that we would like to see. So we're trying to do things to educate the younger people in state government, so they can start saving and investing at a younger age. As we all know, you can't make

Transcript Prepared by the Clerk of the Legislature
Transcriber's Office

Committee on Nebraska
Retirement Systems
January 19, 2005
Page 9

up for that time. And so we're trying to reach out and do that so that they can supplement their retirement plans and be in a better position when they retire.

SENATOR STUHR: Well, I want to thank you for coming today and for your service that you have had on the board and hopefully your continued service. So thank you. Okay, are there any that wish to testify in behalf of Mr. Blank? If not, that closes the confirmation hearing this morning.


Chairperson


Committee Clerk